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BEFORE THE ARIZONA CORPORATION  
RECEIVED

COMMISSIONERS

GARY PIERCE, Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

2011 FEB -8 P 4: 37

ALL CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

FEB 8 2011

DOCKETED BY

IN THE MATTER OF THE JOINT NOTICE AND  
APPLICATION OF QWEST CORPORATION,  
QWEST COMMUNICATIONS COMPANY,  
LLC, QWEST LD CORP., EMBARQ  
COMMUNICATIONS, INC. D/B/A  
CENTURYLINK COMMUNICATIONS,  
EMBARQ PAYPHONE SERVICES, INC. D/B/A  
CENTURYLINK AND CENTURYTEL  
SOLUTIONS, LLC, FOR APPROVAL OF THE  
PROPOSED MERGER OF THEIR PARENT  
CORPORATIONS, QWEST  
COMMUNICATIONS INTERNATIONAL, INC.,  
AND CENTURYTEL, INC.

DOCKET NO. T-01051B-10-0194  
DOCKET NO. T-02811B-10-0194  
DOCKET NO. T-04190A-10-0194  
DOCKET NO. T-20443A-10-0194  
DOCKET NO. T-03555A-10-0194  
DOCKET NO. T-03902A-10-0194

**NOTICE OF FILING SETTLEMENT  
AGREEMENT BETWEEN AND  
AMONG TW TELECOM,  
CENTURYLINK AND QWEST**

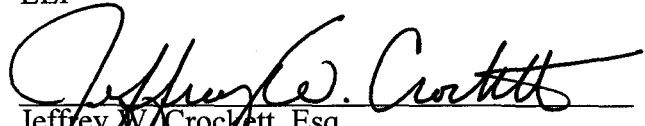
The joint applicants named in the case caption above (the "Joint Applicants") hereby notify the Arizona Corporation Commission ("Commission") and the parties that their respective parent companies have entered into a settlement with tw telecom which is memorialized in the attached letter agreement dated February 4, 2011 (the "Agreement"). Pursuant to the Agreement, tw telecom has opted into the terms of the November 6, 2010 settlement agreement between the Joint Applicants and Integra Telecom, Inc. ("Integra"), subject to certain clarifications, modifications or additional commitments set forth in the Agreement. The Agreement resolves all objections, issues and proposed conditions raised by tw telecom before the Commission in this docket regarding the Application for Approval of the Proposed Merger (the "Transaction"). Contemporaneous with this filing, tw telecom will be filing a request with the Commission to withdraw its intervention, testimony, briefs and other advocacy in this proceeding.

The Joint Applicants agree that the clarifications, modifications and additional commitments set forth in the Agreement will be available to other carriers that are similarly

1 situated to Integra and tw telecom, regardless of whether a similarly situated carrier has  
2 participated in these consolidated dockets or entered into a settlement agreement with the Joint  
3 Applicants.

4 RESPECTFULLY submitted this 8th day of February, 2011.

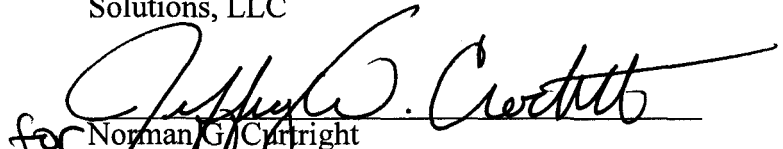
5 BROWNSTEIN HYATT FARBER SCHRECK,  
6 LLP

7   
8 Jeffrey W. Crockett, Esq.  
40 N. Central Ave., 14<sup>th</sup> Floor  
9 Phoenix, Arizona 85004

10 and

11 Kevin K. Zarling, Senior Counsel  
(admitted *pro hac vice*)  
12 CENTURYLINK  
400 W. 15<sup>th</sup> Street, Suite 315  
13 Austin, Texas 78701

14 Attorneys for Embarq Communications, Inc. d/b/a  
CenturyLink Communications, Embarq Payphone  
15 Services, Inc. d/b/a CenturyLink, and CenturyTel  
Solutions, LLC

16   
17 for Norman G. Carrington  
Associate General Counsel  
18 QWEST  
20 E. Thomas Road, 16<sup>th</sup> Floor  
19 Phoenix, Arizona 85012

20 Attorney for Qwest Corporation, Qwest  
21 Communications Company, LLC, and Qwest LD  
22 Corp.

23  
24 ORIGINAL and thirteen (13) copies filed  
this 8th day of February, 2011, with:

25 Docket Control  
26 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
27 Phoenix, Arizona 85007  
28

1 Copy of the foregoing hand-delivered  
2 this 8th day of February, 2011, to:

3 Belinda Martin, Administrative Law Judge  
4 Hearing Division  
5 ARIZONA CORPORATION COMMISSION  
6 1200 West Washington Street  
7 Phoenix, Arizona 85007

8 Steve Olea, Director  
9 Utilities Division  
10 ARIZONA CORPORATION COMMISSION  
11 1200 West Washington Street  
12 Phoenix, Arizona 85007

Janice Alward, Chief Counsel  
Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Daniel W. Pozefsky, Chief Counsel  
Residential Utility Consumer Office  
1110 W. Washington Street, Suite 220  
Phoenix, Arizona 85007

13 Copy of the foregoing sent via e-mail and  
14 U.S. Mail this 8th day of February, 2011, to:

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February 4, 2011

Paul B. Jones  
Executive Vice President  
tw telecom  
10475 Park Meadows Dr.  
Littleton, CO 80124

RE: CenturyLink/Qwest Transaction

Dear Paul:

The purpose of this letter is to memorialize the terms and understanding among CenturyLink, Inc. ("CenturyLink"), Qwest Communications International, Inc. ("QCI") ("Joint Applicants"), and tw telecom ("tw telecom") in satisfaction of the issues raised by tw telecom before state regulatory commissions and the Federal Communications Commission ("FCC") regarding the proposed acquisition by CenturyLink of Qwest (the "Transaction").<sup>1</sup> In consideration of the Agreement outlined herein, tw telecom agrees that its objections, issues and proposed conditions related to the Transaction are resolved. Tw telecom agrees it will offer no advocacy (directly or indirectly) contrary to this Agreement or otherwise participate in the regulatory review of the Transaction to advance objections, issues or proposed conditions related to the Transaction or potential consequences of the Transaction. For avoidance of doubt, it is understood and acknowledged that either Party may continue to participate in pending and future FCC proceedings regarding, among other issues, special access pricing and performance quality, and Ethernet pricing and service quality, except that, in doing so, tw telecom will not address the Transaction or potential consequences of the Transaction. To the extent permitted, tw telecom further agrees that it will withdraw its intervention, testimony, briefs, and other advocacy in opposition to the Transaction before the state public utility commissions and the FCC.

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<sup>1</sup> See, *Applications Filed by Qwest Communications International Inc. and CenturyTel, Inc., d/b/a CenturyLink for Consent to Transfer of Control*, WC Dkt. No. 10-110 (rel. May 28, 2010) and description of the Plan of Merger contained therein ("Transaction"); and corresponding state applications.

Tw telecom has elected to opt-into the terms of the November 6, 2010 Integra Settlement.<sup>2</sup> Tw telecom agrees that the terms of the Integra Settlement, together with the following clarifications, modifications or additional commitments, satisfactorily resolve the issues of tw telecom. To the extent there is an inconsistency between the terms of the Integra Settlement and the following, the following terms will control:

- 1) In the legacy Qwest ILEC service territory, the Merged Company shall continue to provide to tw telecom at least the reports of wholesale performance metrics that legacy Qwest made available, or was required to make available, to tw telecom as of the Merger Closing Date for a period of no less than two years.
- 2) In the legacy Qwest ILEC service territory, the Merged Company shall continue to provide to tw telecom, under the same terms, the quality of service performance comparable to that which Qwest provided to tw telecom for special access and long haul services as of the Merger Closing Date for a period of no less than two years from the Merger Closing Date.
- 3) In the legacy Qwest ILEC service territory, the Merged Company shall continue to participate in special access service and long haul performance review meetings with tw telecom at the same frequency level as provided as of the Merger Closing Date for a period of no less than two years from the Merger Closing Date.
- 4) In the legacy Qwest ILEC service territory, the Merged Company shall extend the Qwest Regional Commitment Plan (RCP) currently opted into by tw telecom through the Merger Closing Date, including its currently effective term, volume, and rate stability commitments, and for another twelve months beyond the expiration of the then existing term or May 31, 2013, whichever is later, unless tw telecom indicates it opts out of this extension.<sup>3</sup>
- 5) The Merged Company shall continue to provide IP peering consistent with the terms and obligations of the Bi-lateral Peering Agreement as of the Merger Closing Date for a period of twenty-four months from the Merger Closing Date, provided that tw telecom meets all the requirements outlined in the Agreement and otherwise complies with the traffic ratios outlined in Qwest's

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<sup>2</sup> To the extent applicable, references to "Integra" or "CLECs" within the terms of the Integra Settlement will be deemed to be references to "tw telecom" for purposes of the understanding memorialized in this letter.

<sup>3</sup> If the Transaction is not closed by May 31, 2011, the Parties agree to renegotiate the date in order to provide a comparable extension to tw telecom.

peering policy found at [http://www.qwest.com/legal/peering\\_na.html](http://www.qwest.com/legal/peering_na.html) as published on the date of this Agreement. Qwest agrees not to change the peering policy published on its website after execution of this Agreement and prior to the Merger Closing Date. In addition, the Merged Company and tw telecom shall jointly work on capacity upgrades at no greater than 80% utilization per circuit or logical circuit bundle to be completed prior to 90% utilization to ensure customer traffic and performance is not adversely impacted.

6) The Merged Company shall continue to offer an Annual Incentive Plan (AIP) program to tw telecom through December 31, 2013. The AIP for 2012 and the AIP for 2013 shall be offered under the same basic terms and conditions in effect as of the Merger Closing Date, subject to the renegotiation of the base revenue, credit tiers, and discounts annually.

Additionally, nothing in this Agreement shall prevent tw telecom from obtaining the benefit of any inconsistent or additional FCC, or state commission condition imposed in that state, whether they are based on voluntary commitments by the merging parties or conditions mandated by the FCC or state commission, or otherwise. Moreover, both Parties acknowledge and agree that there is nothing in the Integra Settlement or the specific terms of this Agreement that limits either Party's right to enforce the provisions of this Agreement in an appropriate forum of competent jurisdiction, which may include a state commission, FCC, state or federal court, as appropriate and consistent with its jurisdiction. In the event that either Party reasonably believes in good faith that the other Party has materially breached the provisions of this Agreement, the Party must provide written notice specifying the breach and providing a 30-day period to cure, during which time any applicable limitations period shall be tolled. If not cured, the non-breaching Party may initiate an appropriate action before a court of competent jurisdiction, the state commission or FCC, to the extent the court, FCC or state commission finds it consistent with its jurisdiction. Such remedy is not exclusive. In addition, neither Party waives its right to oppose such a request, claim, or action.

Please confirm that this letter accurately describes your understanding and agreement to these terms by signing in the space provided below, and return the executed copy to the attention of Linda Gardner. Parties may execute the Agreement in counterparts and all counterparts shall constitute one agreement. A faxed, or scanned and emailed, signature page containing the signature of a Party is acceptable as an original signature page signed by that party. This Agreement is considered executed when all Parties sign below. The Parties agree that this Agreement is not

confidential and that it will be filed with the state and federal commissions, as appropriate, upon execution.

CENTURYLINK, INC.

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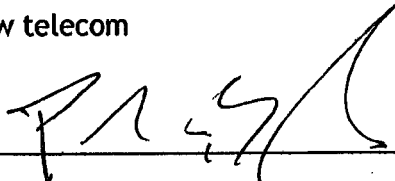
By: William E. Cheek, President Wholesale Operations  
Dated:

QWEST COMMUNICATIONS INTERNATIONAL INC.

---

By: R. Steven Davis, Sr VP—Public Policy & Government Relations  
Dated:

tw telecom



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By: Paul B. Jones, Executive Vice President  
Dated: February 4, 2011



confidential and that it will be filed with the state and federal commissions, as appropriate, upon execution.

CENTURYLINK, INC.

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By: William E. Cheek, President Wholesale Operations  
Dated:

QWEST COMMUNICATIONS INTERNATIONAL INC.

A handwritten signature in black ink, appearing to read "R. Steven Davis", is written over a horizontal line.

By: R. Steven Davis, Sr VP—Public Policy & Government Relations  
Dated: FEB. 4, 2011

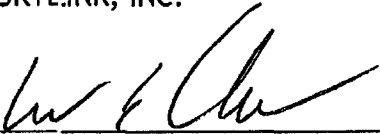
tw telecom

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By: Paul B. Jones, Executive Vice President  
Dated:

confidential and that it will be filed with the state and federal commissions, as appropriate, upon execution.

CENTURYLINK, INC.



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By: William E. Cheek, President Wholesale Operations

Dated: 2/4/11

QWEST COMMUNICATIONS INTERNATIONAL INC.

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By: R. Steven Davis, Sr VP—Public Policy & Government Relations  
Dated:

tw telecom

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By: Paul B. Jones, Executive Vice President  
Dated: